



Washington State
Liquor Control Board

INTERPRETIVE STATEMENT
Number LCB-INT 01-2009

RE: Clarification of the return of exported Washington wine for ultimate sale.

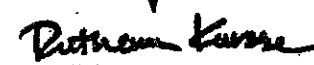
Contact: Alan B. Rathbun, Director of Licensing and Regulation
Washington State Liquor Control Board

Supersedes: N/A

Approved by:


Lorraine Lee, Board Chairman


Roger Hoen, Board Member


Ruthann Kurose, Board Member

Date Approved: March 25, 2009

In order to provide clarity regarding the return of exported Washington wine, the Washington State Liquor Control Board (LCB) issues this interpretive statement pursuant to RCW 34.05.010(8) and 34.05.230.

Background:

As written, the language of RCW 66.24.170 is ambiguous as it relates to Washington wine exported out of state and its subsequent return into Washington by the manufacturing winery. LCB staff has interpreted this statute to preclude such return. In other words, only sparkling wine is allowed to be returned, as stated in subsection (6) of RCW 66.24.170 and, therefore, if it is not sparkling wine then it cannot be returned.

However, another reasonable interpretation of RCW 66.24.170 is that subsection (6) only addresses those instances when the wine is made into sparkling wine out of state. Because subsection (6) provides for the wine's return into Washington in the changed form of sparkling wine, the language does not either permit or prohibit the return of wine. Thus, this statute is silent with respect to wine that remains unchanged in form.

With these possible interpretations in mind, the LCB will use the general guiding principle that, unless public safety considerations dictate otherwise, the activity is permitted. However, additional procedures will be necessary to ensure the efficient and accurate collection of taxes.

Interpretative Statement

The Washington State Liquor Control Board interprets RCW 66.24.170 to permit shipping Washington non-sparkling wine out of, and returned to Washington State for ultimate sale.

The Board further intends that the following conditions must apply to returned Washington wine:

- The wine is produced in Washington by a licensed winery. The export shall be from said winery and returned to the same entity;
- Label approval must be obtained from WSLCB either before export or upon return;
- The returned wine must not have been altered in any way, with the exception of sparkling wine;
- Entities returning previously exported Washington wine, must comply with tax collection and tracking requirements initiated by the WSLCB;
- Washington Wine Commission assessment will continue to be collected at the time of export.

This interpretation of RCW 66.24.170 is effective upon the date referenced above. Rules will be adopted to address procedures necessary to implement the above conditions.